

STATE OF WASHINGTON



OFFICE OF
INSURANCE COMMISSIONER

In the Matter of)	
)	Order No. D05-341
OHIC INSURANCE COMPANY,)	
)	CONSENT AND ORDER
An Authorized Insurer.)	TO PAY FINE

FINDINGS OF FACT

- 1) The Special Liability Report for 2004 was due May 1, 2005.
- 2) It was not received and the company was notified by telephone on May 4, 2005.
- 3) That same day a fax and e-mail copy of a report were forwarded to the Office of the Insurance Commissioner (OIC) and received the same day.
- 4) The report failed to include the information on doctors and lawyers which had been included in prior years.
- 5) The company was advised of the omission and did submit a final report on May 10, 2005, which provided the necessary information and was accepted.
- 6) On two previous occasions, OHIC has been fined for failing to file the special liability report on time.
- 7) In Consent Order D02-146 OHIC was fined \$2, 500 for not filing the special liability report due on May 1, 2002, until September 6, 2002.
- 8) In Consent Order D04-44 OHIC was fined \$15, 000 with \$10,000 suspended for not filing the special liability report due on May 1, 2003, until December 16, 2003.
- 9) The latter order was written with the provision their suspended fine was contingent on there being no further violations for a two-year period.

- 10) OHIC's ongoing failure to recognize the requirements of the insurance code creates the appearance of a pattern of behavior.

CONCLUSIONS OF LAW

- 1) RCW 48.05.390 and WAC 284-07-010 require the filing of the special liability report by May 1 of each year. OHIC failed to meet that filing date.
- 2) RCW 48.05.380 and RCW 48.05.390 outline the content of this report. OHIC failed to provide accurate information when first filing the report.

CONSENT TO ORDER

NOW, THEREFORE, the company consents to the following in consideration of the desire to resolve this matter without further administrative or judicial proceedings, and the Insurance Commissioner consents to settle the matter in consideration of the company's payment of a fine and such other terms and conditions as are set forth below:

- 1) The company admits to the foregoing Findings of Fact and Conclusions of Law as they pertain to these facts, consents to the entry of this Order, and waives further administrative or judicial challenge to the OIC's action related to the subject matter of the Order;
- 2) Within thirty days of the entry of this Order the company agrees to pay the suspended \$10,000 fine imposed by Order DO4-44 plus an additional \$5,000 for this additional violation of the insurance for a total of \$15,000;
- 3) The company shall not violate the provisions of the Washington State Insurance Code or Washington Administrative Code which are the subject of this Order and the company will carry out the provisions of, and fully comply with, the Compliance Plan as set forth in Order DO4-44;
- 4) Failure to successfully execute the foregoing shall constitute grounds for the revocation of the company's certificate of authority and any further sanctions deemed appropriate by the Commissioner.

EXECUTED THIS 12th day of July, 2005.

OHIC INSURANCE COMPANY

By: _____

Title: _____

ORDER OF THE INSURANCE COMMISSIONER

NOW, THEREFORE, pursuant to the foregoing Findings of Fact, Conclusions of Law, and Consent to Order, the Insurance Commissioner hereby orders as follows:

1. OHIC Insurance Company is ORDERED to pay a fine in the total amount of \$15,000, \$10,000 of which is the suspended portion of the fine imposed by Order D04-44 plus an additional \$5,000 for the present violation of the insurance code.
2. The fine will be paid within 30 days of entry of this Order.
3. The company will successfully comply with the Compliance Plan of Order D 04-44.
4. Failure to pay the fine within the time limit set forth above shall result in the revocation of the insurer's certificate of authority and in the recovery of the fine through a civil action brought in behalf of the Insurance Commissioner by the Attorney General of the State of Washington.

ENTERED AT TUMWATER, WASHINGTON this 13th day of July, 2005.

MIKE KREIDLER
Insurance Commissioner

By: _____
Mary M. Cotter
Staff Attorney, Legal Affairs